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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/173  
24 September 1962

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events\*  
7-20 September 1962

Soviet ships carrying military cargo for Cuba continue to depart almost daily from the USSR. Much of the current cargo appears to be equipment bound for probable new SAM sites in eastern Cuba. One MIG-21 has already been assembled at Santa Clara Airfield, and there are indications that as many as 12 of these aircraft will be located at Santa Clara. In addition to the previously reported SAM sites, a coastal-defense missile site having a range of 30 nautical miles is being constructed near Banes in Oriente Province. Large quantities of military transportation equipment also are being delivered. The total number of Soviet personnel in Cuba associated with the current influx of military equipment is expected soon to reach 4,000 persons.

Under secret protocols to the 1961 Soviet-Iraqi arms agreement, the USSR during 1962 and 1963 will equip Iraq with surface-to-air, air-to-air, and wire-guided antitank missiles and launchers. Iraq is to receive 5 "combat" batteries (presumably implying a total of 30 launchers) of surface-to-air missiles, 160 air-to-air missiles, and 84 launchers for the 972 antitank missiles that ultimately will be delivered.

In recent months, criticism by Ghana's military leaders of the training program for Ghanaian army cadets in the USSR has increased, and Ghana reportedly now has decided to withdraw 46 of the 71 army cadets sent to the USSR for training last fall.

According to an aid agreement concluded between Burma and the USSR on 30 August, the USSR will provide a credit of \$3.9 million for the construction of the Kyetmauktaung irrigation dam, which is scheduled for completion in 4 years.

On 15 September, Ceylon and Communist China concluded their third 5-year trade and payments agreement, according to which Communist

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\* An unclassified table summarizing Bloc economic credits and grants to underdeveloped countries from 1954 through mid-1962 is included in this issue on p. 6.

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China will purchase 33,000 metric tons of Ceylon's rubber and Ceylon will purchase 200,000 tons of rice from Communist China.

On 9 August, Ceylon and the USSR signed an agreement that provides for the extension of the 1958 technical aid agreement between the two countries for a 5-year period beginning in May 1963. Six of the 16 projects originally scheduled under the 1958 agreement have been withdrawn, and 2 or 3 other projects also are expected to be canceled.

As an expression of its dissatisfaction with US policy in Laos and Cambodia, the Thai Government, which has yet to conclude any trade agreements with the Bloc, has recently authorized the opening of trade discussions with the USSR.

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Leningrad, USSR: Soviet Materiel Awaiting Ship-  
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Sino-Soviet Bloc Economic Credits and Grants  
to Underdeveloped Countries of the Free World a/  
1 January 1954 - 30 June 1962

Million Current US \$		
<u>Area and Country</u>	<u>Extended</u>	<u>Drawn</u>
Total	<u>4,904</u>	<u>1,208</u>
<u>Latin America</u>	<u>567</u>	<u>80</u>
Argentina	104	36
Bolivia	2	0
Brazil	4	4
Cuba	457	40
<u>Middle East</u>	<u>1,133</u>	<u>368</u>
Cyprus	1	0
Iran	6	6
Iraq	216	32
Syrian Arab Republic	178	65
Turkey	17	15
United Arab Republic (Egypt)	671	221
Yemen	44	29
<u>Africa</u>	<u>678</u>	<u>86</u>
Ethiopia	114	6
Ghana	200	15
Guinea	125	45
Mali	100	20
Morocco	5	0
Somali Republic	63	0
Sudan	25	0
Tunisia	46	0

a. Not including military credits and grants.

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Sino-Soviet Bloc Economic Credits and Grants  
to Underdeveloped Countries of the Free World  
1 January 1954 - 30 June 1962  
(Continued)

	Million Current US \$	
<u>Area and Country</u>	<u>Extended</u>	<u>Drawn</u>
<u>Asia</u>	<u>2,410</u>	<u>558</u>
Afghanistan	515	155
Burma	93	7
Cambodia	65	31
Ceylon	58	6
India	950	224
Indonesia	641	122
Nepal	55	6
Pakistan	33	7
<u>Europe</u>	<u>116</u>	<u>116</u>
Iceland	5	5
Yugoslavia	111	111

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